



May 28, 2020

The Honorable Toni Atkins
Senate President pro Tempore
State Capitol
Sacramento, CA 95814

The Honorable Anthony Rendon
Assembly Speaker
State Capitol
Sacramento, CA 95814

The Honorable Holly Mitchell
Senator
State Capitol
Sacramento, CA 95814

The Honorable Phil Ting
Assemblymember
State Capitol
Sacramento, CA 95814

Senate President pro Tempore Atkins, Assembly Speaker Rendon, Senator Mitchell, and Assemblymember Ting,

We appreciate your leadership during this unprecedented time, and we applaud your efforts to tackle this historic budget deficit, wrought by the economic fallout from the Coronavirus pandemic. We have worked closely with Governor Newsom and his team to advocate for several funding priorities that were thankfully included in the May Revision, and we look forward to working with you on our top priorities for this year's budget.

First, we are grateful the May Revision proposes direct funding to cities over 300,000 in population that did not receive allocations through the federal CARES Act. We have worked collaboratively with Governor Newsom, his team, and the Department of Finance to provide a direct distribution of the State's Coronavirus Relief Fund dollars to Long Beach, Oakland, Bakersfield, Anaheim, Santa Ana, Riverside, and Stockton for eligible pandemic-related expenditures. Our cities have undertaken unprecedented emergency actions in our communities, and without CARES Act funding, many of these expenditures will go unreimbursed. Our cities will adhere to transparency and accountability standards in expending these funds, and are prepared to provide detailed accounting of how these dollars are deployed to expand homeless services, strengthen our public health response, improve economic resiliency and digital inclusion, and maintain city operations and services during the COVID-19 emergency. Given the challenge of expending these allocations before the end of the year, **we ask that you retain the flexibility and timeline outlined in the Treasury's guidelines.**

Second, consistent with the Governor's and Legislature's longstanding commitment to reduce homelessness statewide, we hope to preserve the proposed \$750 million for facilities and services to permanently house our homeless populations including for a statewide hotel and motel acquisition program to ensure those sheltered during the COVID-19 pandemic have

affordable housing opportunities following the crisis. To ensure the State's commitment to housing solutions for the unhoused is achieved, **we urge as much flexibility in the use of these funds locally as the CARES Act will permit—by allowing the acquisition, rehab, and/or financing of other types of homeless housing, as well as the use of funds for operations and services.**

Our cities have implemented an array of interventions to address our homelessness crisis, many of which are unfunded beyond the next year. An ongoing source of homelessness dollars is needed to ensure we do not slide backwards, and that we are able to maintain the successful projects and programs we implemented with one-time State resources over the last two years. We must not fail to provide transitional shelter and services to our most vulnerable, and to that end we propose **an investment in homelessness that provides flexible dollars – by formula – to cities.** The use of these funds should be determined locally, but with accountability ensured by State-mandated outcomes. Local governments are ready to report on performance measures such as the number of people sheltered and housed, the length of time per intervention, and the overall size of the homeless population.

Finally, we urge that the State of California do no harm. State and cities both face enormous budgetary challenges due to COVID-19, and there is a lengthy history of State predatory incursion in local budgets—such as the ERAF shift of property tax dollars to the State treasury in 1992, or the elimination of redevelopment agencies in 2011—that exacerbated budgetary crises in our cities during severe downturns. In this moment of crisis, we need a State that will be an ally, not an albatross.

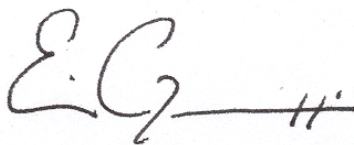
Thank you for your consideration of our priorities. We look forward to working with you and your teams in the coming weeks and months to steer California through this pandemic to brighter days ahead.

Sincerely,

Big City Mayors Coalition



Sam Liccardo
Mayor
City of San José



Eric Garcetti
Mayor
City of Los Angeles



Kevin Faulconer
Mayor
City of San Diego



London Breed
Mayor
City of San Francisco



Lee Brand
Mayor
City of Fresno



Darrell Steinberg
Mayor
City of Sacramento



Robert Garcia
Mayor
City of Long Beach



Libby Schaaf
Mayor
City of Oakland



Karen Goh
Mayor
City of Bakersfield



Harry Sidhu
Mayor
City of Anaheim



Miguel Pulido
Mayor
City of Santa Ana



Rusty Bailey
Mayor
City of Riverside



Michael Tubbs
Mayor
City of Stockton